

Personnel 17

Executive Director-Comptroller
7 D-59 Headquarters

STAT

Colonel White:

At our meeting of 8 February 1968 it was agreed that we would have another go at drafting a retirement rationale. [] has come up with the attached redraft. To save time I have forwarded "Eyes Only" copies of this to the Deputies, the IG and the General Counsel and asked for their comments. Hopefully these will be available for the next meeting for a final agreement.

SIGNED R. L. Bannerman

R. L. Bannerman

29 FEB 1968

Deputy Director for Support 7 D-26 Hqs.

DD/S:RLB:ksd (29 Feb 68)

Distribution:

Orig - Adse w/O redraft "Rationale of CIA Retirement Policy" (BY HAND - KATHY)
X - DD/S Subject w/ccy DD/S 68-1008 w/X copy "Rationale of CIA Retirement Policy"

STAT

1 - DD/S Chrono

STAT

1 - Messrs. [] Coffey, []

CONFIDENTIAL

EYES ONLY

DD/S 68-1008

28 February 1968

**MEMORANDUM FOR: Deputy Director for Intelligence
Deputy Director for Plans
Deputy Director for Science & Technology
General Counsel
Inspector General**

SUBJECT : Rationale of CIA Retirement Policy

1. In reference to our meeting of 8 February 1968 wherein our retirement policy rationale was questioned, I asked [] to produce a new draft incorporating some of the points raised at the meeting. Attached for your consideration is a new draft. Since the Executive Director-Comptroller has been away he has not seen this draft.

25X1

2. I would appreciate any comments or suggested changes so that we may consider this at our next meeting.

SIGNED R. L. Bannerman

**R. L. Bannerman
Deputy Director
for Support**

Att: Draft Paper

cc: Mr. []

DD/S:RLB:maq

Distribution:

Orig - DD/I w/att

1 - Ea following adse w/att

1 - DD/S Subject w/att

1 - DD/S Chrono *RF ST*

DD/S Internal Distribution:

1 - ADD/S w/att

1 - ED-DD/S w/att

1 - SA-DD/S w/att (Mr. [])

25X1

CONFIDENTIAL

GROUP 1
Excluded from automatic
downgrading and
declassification

CONFIDENTIAL

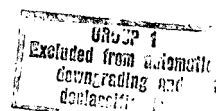
RATIONALE OF CIA RETIREMENT POLICY

Policy

It has been the policy of the Central Intelligence Agency since 1959 that all employees should retire as soon after attaining age 60 as they are eligible to receive an annuity. Until 1967 this meant retirement at age 60 with 30 or more years of service or at age 62 with 5 or more years of service. In 1967 the Civil Service Retirement Statute was revised to provide an immediate annuity at age 60 to employees with 20 or more years of service. Agency policy was adjusted accordingly so that currently all employees with 20 or more years of service are expected to retire at age 60 unless extended in service for the best interests of the Agency.

This retirement policy was adopted as being necessary to the development and operation of a system of personnel management in CIA that would give the greatest assurance that the Agency would be staffed on a continuing basis with personnel of exceptionally high intellectual capacity, viability, and dynamism. Although a retirement policy such as this has no precedent in normal civilian government service, it is considered an essential parameter in the Agency's total program of personnel management.

CONFIDENTIAL



CONFIDENTIAL

- 2 -

The CIA personnel program has as its basic tenets the following:

- a. The role of the Agency to provide intelligence information and intelligence estimates bearing on the national security to the highest decision-making levels of our government deserves the application of the best intellects that can be obtained.
- b. That the depth of involvement at all levels of employment in the secret intelligence activities and deliberations of our government requires staffing with persons of the highest character, integrity, discretion, emotional stability, and loyalty.
- c. The process of intelligence collection, correlation, and evaluation is inherently and significantly different from most vocational applications of equivalent skills and educational disciplines. Further that the applications are so different that the know-how can be found at intermediate and senior levels only if developed by many years of on-the-job progressive study and experience.
- d. The requirement for both a managed career development program and the need to staff overseas activities regardless of the location or circumstances of employment demands a disciplined employee body willing to accept directed reassignments with the conviction that so doing is not only in the best interests of the government but of the individual.

CONFIDENTIAL

CONFIDENTIAL

- 3 -

e. The constantly changing international scene and the nature and techniques of intelligence collection generate a requirement for personnel of the highest versatility, ingenuity, and currency of scholarship. At the same time, new situations and intelligence methods generate staffing requirements for skills and educational background that cannot be found or quickly developed among the existing staff. There is, therefore, a never-ending need both to seek new personnel with specialized qualifications and to release employees whose skills and experience are no longer required and who cannot be retrained and redeployed for any of numerous reasons.

The CIA system of personnel management has evolved from these tenets. It is featured by:

a. A recruitment and selection program designed to seek out and employ on a career basis only persons of excellent character, mental and physical health, high intellectual capacity, superior education, and high potential for development. Selection standards are variable with respect to the differing fields of vocational specialization but are uniformly stringent in the pursuit of a total staff of unusually high excellence.

b. Programs for the career-long reevaluation of the performance, adaptability, personal attributes, character, and

CONFIDENTIAL

CONFIDENTIAL

- 4 -

mental and physical health of Agency employees. The objective is to identify early those developing problems and to correct such problems where possible; alternatively, to remove from service those who for any reason can no longer be fully useful or counted upon to perform at the high levels deemed essential.

c. Programs for the utilization of personnel based on the philosophy of managed career development. The program features on-the-job training and the acquisition of know-how developed by reassignments through a progression of positions of increasing responsibility and scope. In addition, there is an extensive continuing program of academic training and higher education.

d. Competitive promotion and assignment policies and practices designed to ensure that the best qualified individuals at every level receive important assignments and rise through the ranks to senior levels. Willingness to accept directed assignments and reassignments is a requisite to career advancement.

In terms of the foregoing, the reasons for the Agency's unusual policy to require retirement at age 60 begin to become apparent. The adoption of a policy to employ personnel on a career basis and then only those who have unusually high qualifications and potential creates the need to provide these persons with the opportunity to find career satisfaction and advancement at

CONFIDENTIAL

CONFIDENTIAL

- 5 -

least equivalent to that they would encounter elsewhere in their chosen field of academic and vocational endeavor. Regardless of patriotic and other motivations that might incline them toward employment with the CIA, they will closely examine the Agency for evidence that such opportunities exist.

Agency experience has been that most employees arrive at or near their career peaks during the 10 year age span of 45 to 55. The senior journeyman level of employment in the Agency is in grades 12, 13, and 14, depending upon area of specialization. The pyramid of supervisory and staff specialists above the senior journeyman level decreases in numbers rapidly through grade GS-18. There is accordingly intense competition among a group of exceptionally well-qualified individuals to enter the senior levels of management. There are also unavoidably substantial numbers of individuals who, although they readily and effectively rise to senior journeyman levels, have little opportunity to rise higher in view of the magnitude and intensity of the competition.

Federal civilian employees are generally eligible to continue working until age 70. Reports on the Civil Service Retirement System show that most employees desire to retire between the ages of 65 and 66. It is reasonable to assume that the average CIA employee would also desire to retire at these ages.

In the absence of a policy limiting the career span of CIA employees, those attaining their career peaks would remain at these levels and probably

CONFIDENTIAL

~~CONFIDENTIAL~~

- 6 -

in their positions from ages 45 to 55 until age 65 and, in some cases, longer - a span of 15 to 20 years. Under these circumstances, it would not only be difficult of impossible to bring individuals of outstanding competence and leadership into senior managerial positions on a timely basis, but also the congestion will greatly retard at all lower levels the entire career program of reassignments, career development and progression. As this became apparent to employees, there would be serious disillusionment about careers in CIA. This would lead to resignations, particularly among the very best people. Further, within a few years, general knowledge of the slowness of career advancement in CIA would preclude even the initial employment of the high caliber personnel considered essential to the Agency's mission.

A partial solution to the problem has been the adoption of the policy of retirement at age 60. Since the entry age of CIA careerists is, by selection and planning, below age 30, most employees will have over 30 years of service for retirement computation purposes at age 60 and their annuities will be reasonably sustaining even though they engage in no subsequent employment.

There is yet another factor, not to be overstressed, that focuses attention on the desirability of limiting the career span in CIA. It is the effect in the abstract of the aging process itself upon the cognitive processes and the dynamism of individuals and their receptiveness to changing conditions, thought, and new assignments. It is undeniable that the aging process is

~~CONFIDENTIAL~~

CONFIDENTIAL

- 7 -

regressive, and although the degree and timing of this regression varies greatly among individuals and the significance thereof varies with the type and level of the individual's duties, it is a factor to be considered by an agency of the government that believes its mission is one of highest importance and significance.

The CIA has particular reason to believe that its personnel at all levels must be of unusually high competence and integrity and the reason is derivative from the Agency mission. The CIA was established by the National Security Act of 1947. The Agency is responsible to the National Security Council which is chaired by the President of the United States.

The Director of Central Intelligence serves as the principal advisor to the National Security Council on all matters of intelligence related to the national security and CIA's responsibilities are carried out subject to the directives and controls of the Council.

CIA and other departments and agencies of the federal government produce intelligence commensurate with their respective missions. CIA has the basic responsibility of coordinating overall intelligence efforts of the Executive Branch to produce for the National Security Council the best intelligence estimates available to the government and to prevent needless duplication of effort among the several departments and agencies involved.

CONFIDENTIAL

CONFIDENTIAL

- 8 -

The process of coordination, correlation, and evaluation is carried out within the framework of the United States Intelligence Board which is chaired by the Director of Central Intelligence. The product is evaluated information having a bearing on the national security interests of the United States which is used at the highest decision-making levels of our government.

The gravity and importance of the Agency's mission and the intangible nature of its end product clearly dictate that the personnel involved be of the highest possible competence, dedication, and integrity. The product itself - intelligence estimates - can only be judged as to their value by the test of time. At the moment of decision, the value of the product is the credence accorded it and this can only be the reflection of the total reputation of the Agency for having a total staff of exceptionally competent and reliable people. In view of this single fact, the primary managerial responsibility of the Director of Central Intelligence is to make this factually and recognizably true.

It is believed that the Congress and the Presidents have recognized the special staffing problems of CIA in enacting the legislation under which the Agency functions. The broadest of authorities have been provided for in the employment and management of Agency personnel and the Agency has been exempted from statutory provisions applicable to normal federal civilian

CONFIDENTIAL

CONFIDENTIAL

- 9 -

employment that would impair the Director of Central Intelligence in the pursuit of optimum excellence in Agency staffing.

In this connection, it is noted that Section 102(c) of the National Security Act of 1947 gives the Director of Central Intelligence the authority to terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States. The Agency policy of retirement at age 60 is, in effect, the expression of the Director's judgement that a limited career span for CIA employees is in the best interests of the United States as an essential factor to the operation of the total Agency personnel management program.

CONFIDENTIAL